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RUEHLO/AMEMBASSY LONDON 1857  
RUEHNC/AMEMBASSY NOUAKCHOTT 6798  
RUEHFR/AMEMBASSY PARIS 3165  
RUEHCL/AMCONSUL CASABLANCA 3695  
RUEATRS/DEPT OF TREASURY WASHDC  
RHEBAAA/DEPT OF ENERGY WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L ALGIERS 000890

SIPDIS

STATE FOR NEA/MAG  
STATE PASS FOR USTR - BURKHEAD  
COMMERCE FOR NATE MASON

E.O. 12958: DECL: 10/03/2019  
TAGS: [EINV](#) [ETRD](#) [ECON](#) [AG](#)  
SUBJECT: ALGERIA: MINISTRY OF HEALTH DEFENDS DRUG IMPORT  
BAN

REF: ALGIERS 889

Classified By: David D. Pearce, Ambassador. Reason: E.O. 12958 1.4 (b), (d)

¶1. (C) Summary: In a meeting with visiting USTR director Burkhead, Health Ministry Secretary General Chakou defended Algeria's import ban on a number of pharmaceuticals. He said it was necessary to protect and develop Algeria's domestic drug production, and to reduce the rising import costs for drugs. He also believed it would stimulate domestic and foreign investment in drug production in Algeria. Burkhead said the ban was a barrier to international trade that would further damage Algeria's business climate and impede Algeria's WTO accession. The Algerian welcomed the proposal to have a dialogue on IPR protection. End summary

¶2. (C) USTR Director for European and Middle Eastern Trade Affairs Paul Burkhead, accompanied by the Ambassador and Pol/Econ Chief (notetaker), met September 28 with Ministry of Health Secretary General Abdesselam Chakou. With Chakou were the head of the Ministry's External Relations and Cooperation Unit Dr. A.S. Guennar and four other senior aides. Burkhead asked for the reasons behind Algeria's ban on the import of a number of pharmaceuticals. Chakou said that the ban had been issued in October 2008 in response to an order from President Bouteflika. An epidemic of chronic non-infectious diseases had supplanted infectious diseases as Algeria's main health challenge, and these diseases were very expensive to treat. Algeria wanted to reduce pharmaceutical imports -- which amounted to USD 1.7 billion in 2008 (NOTE: Per reftel, the Commerce Minister, in a separate meeting, put the bill at \$1 billion. END NOTE) -- and expand domestic production to achieve 'minimal drug security.' Chakou maintained that the import ban would encourage domestic and foreign investment in drug production, claiming that Pfizer was planning to produce new drugs in Algeria that it would introduce beginning in 2010.

¶3. (C) Burkhead objected that the import restrictions constituted a barrier to international trade, would impede Algeria's WTO accession talks, and would undermine companies' confidence in the business climate. This will make them less likely to invest. A decision such as this should not be taken without consulting with affected companies. It could also lead to shortages. Chakou countered that Algeria had experienced no shortages; all drugs on the list were already

manufactured in Algeria. A Ministry of Health monitoring system issued import licenses quickly when it anticipated gaps in supply. He claimed that Algerian and foreign companies had requested the ban.

¶4. (C) Chakou said the GOA was aware of the importance of US companies, particularly in research and development, and that it was ready to cooperate with them. Algeria wanted to see more US companies present in Algeria; the US presence was comparatively small.

¶5. (C) Burkhead said that a second issue was that the US pharmaceutical industry had cited the need for a law to protect proprietary test data. Chakou said Algeria protected pharmaceutical intellectual property by permitting the production of a drug only with a certification from the National Office of International Property and Copyright that the drug is not protected. He added, however, that some large pharmaceutical companies had not protected their products under existing law. Burkhead noted that IPR protection was important to both countries and suggested that it would be good to have an ongoing dialogue on this. The Algerian welcomed the proposal.

¶6. (C) The Ambassador concluded by noting that the U.S. values, and seeks to expand, its trade and investment relations with Algeria. It is normal for there to be differences from time to time between sovereign countries; however, when such differences exist, it is also important to discuss them. We should be able to discuss ways to meet Algeria's needs that do not restrict trade and will not impede its WTO accession.

PEARCE